

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 ERDA-05 EB-07 COME-00 TRSE-00 OMB-01

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 OES-06 ACDA-07 /085 R

DRAFTED BY DOD/ISA:L.LLOYD

APPROVED BY EUR/CE:LHEICHLER

EUR/CE:SKLINGAMAN

DOD/ISA:MR. MCAULIFFE

DOD/DSAA:GEN. FISH

DOD/USAF/LGPLA:PJAMUSHIAN(INFO)

DOD/DSAA:J.MCNICHOLAS(INFO)

ERDA/PROC:W.NENSTADT(INFO)

DOD/INL:A.AHEARN(INFO)

L/PM:J.MICHEL(INFO)

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P 212005Z MAY 76

FM SECSTATE WASHDC

TO AMEMBASSY BERN PRIORITY

C O N F I D E N T I A L STATE 125281

E.O. 11652: GDS

TAGS: MASS, PFOR, SZ

SUBJECT:MOU AND ERDA/WESTINGHOUSE CONTRACT

REF: STATE 120792

1. AMBASSADOR PROBST CALLED ON ASSISTANT SECRETARY OF DEFENSE (ISA)MCAULIFFE ON 18 MAY. HE AGAIN STRESSED VIEWS HE GAVE TO ASSISTANT SECRETARY HARTMAN EMPHASIZING DOMESTIC POLITICAL IMPORTANCE IN SWITZERLAND AND TO GNAEGI PERSONALLY TO MAKE RAPID AND SUBSTANTIAL PROGRESS UNDER F-5E OFFSET MOU (PARA 1 REFTEL). MCAULIFFE ASSURED HIM US LIVES UP TO ITS WORD AND THAT HE WOULD PERSONALLY LOOK

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INTO FACTS OF ERDA CASE.

2. PROBST SAID THAT THEY DID NOT HAVE THE PRICING FIGURES OR INFLATION INDEXING THAT MADE BBC BID HIGHER THAN GE, BUT WOULD BE GETTING THESE NEXT WEEK IN WESTINGHOUSE DEBRIEFING. HE NOTED THAT BBC HAD ASKED FOR GAO REVIEW OF ERDA AWARD BUT DOUBTED THAT DECISION WOULD BE CHANGED.

3. AMBASSADOR SHOWED MCAULIFFE A LETTER HE HAD JUST RECEIVED INDICATING THAT TWO SWISS BIDDERS, MOTOR COLUMBUS AND KINDLER, WERE STILL IN THE RUNNING FOR CONSTRUCTION CONTRACTS IN SAUDI ARABIA FOR PEACE HAWK 5. (ISA INFORMATION THAT AWARD WAS GOING TO LOWER-BIDDING PAKISTANI FIRM WAS CONFIRMED TO AMBASSADOR IN SUBSEQUENT MEETING WITH GENERAL FISH, DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY. NORTHROP MADE AWARD TO PAKISTANI FIRM ON 14 MAY. HOWEVER, NORTHROP PLANS TO PROCURE SUBSTANTIAL AMOUNT OF EQUIPMENT FOR PEACE HAWK PROJECT FROM SWISS INDUSTRY. PROBST WAS PLEASED AND ASKED THAT WE INFORM HIM WHEN DETAILS ARE KNOWN.)

4. IN RESPONSE TO AMBASSADOR PROBST'S REQUEST TO MEET PERSONALLY WITH SECRETARY RUMSFELD IN COMPLIANCE WITH HIS EXPLICIT INSTRUCTIONS FROM SWISS PRESIDENT, MCAULIFFE SAID HE WOULD -- AFTER HAVING EXAMINED THE QUESTION -- RECOMMEND THAT SECDEF RECEIVE PROBST TO MAKE FORMAL REPLY TO SWISS AID MEMOIRE. HOWEVER, IF SECDEF'S BUSY SCHEDULE WERE TO DELAY PROMPT US REPLY, HE WOULD TRY TO ARRANGE MEETING WITH DEPSECDEF CLEMENTS OR ELLSWORTH. AMBASSADOR EXPRESSED APPRECIATION FOR MCAULIFFE'S HELP AND REITERATED HIS HOPE THAT HE COULD SEE SECDEF RUMSFELD IN PERSON EVEN FOR VERY BRIEF MEETING. ROBINSON

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